Information for Attendees

Q2 2022 Financial Results Briefing

Date: August 4, 2022

Time: 4:00–5:00 PM JST (Zoom accessible from 3:50 PM)

Speakers: Yusuke Inagaki (Co-CEO/CTO), Taira Sakuma(Co-CEO),
Daisuke Chiba (CFO),
Yoichi Aso (AlphaDrive CEO)

UZABASE

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/ Financial Results

Q2 2022

Uzabase, Inc.
Q2 2022 Financial Results Briefing

Our Purpose

Awaken a world of play in business, with our insights.

How Do Our Products Tie Into Our Purpose?

Awakening a World of Play in Business

Finding harmony among societal, business, and individual purposes

Business ⇄ **Individual**

Popularize a customer-oriented, highly adaptable approach to business management (Agile Business Management)

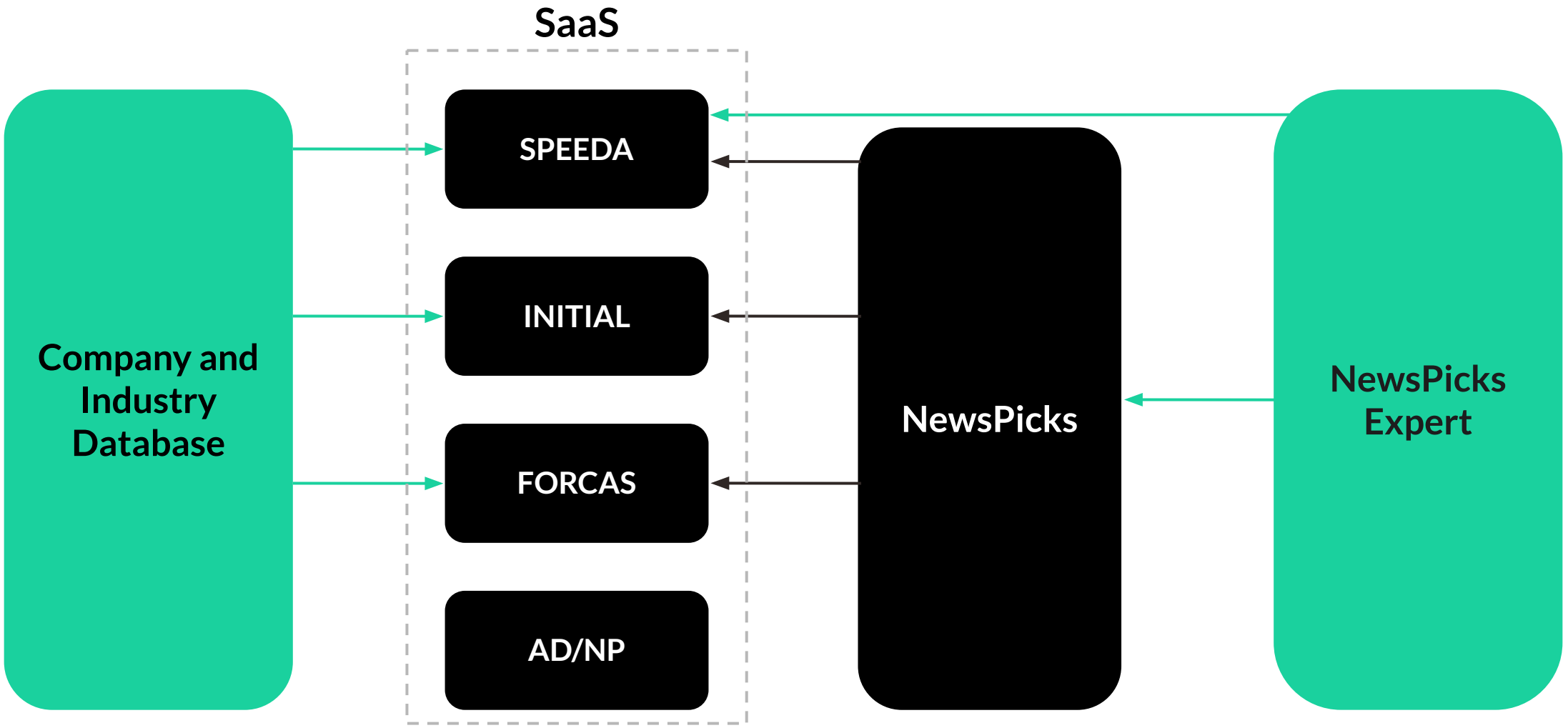
- **Modernize and automate competitive analysis,** enabling businesses to quickly adapt to change — SPEEDA
- **Modernize and automate customer analysis,** connecting it to marketing and sales — FORCAS
- **Nurture more self-driven talent,** creating teams that seek out new customer value — AlphaDrive / NewsPicks

Help more people discover a world of play in their work and take meaningful action

- Have more people **take interest** in the world of business and **enjoy news** — NEWS PICKS
- Have more people take interest in **societal issues**, learn, and take action — NEWS PICKS
- **Create a society** in which sharing information leads to new opportunities, and where **individual knowledge can be properly circulated** — NEWS PICKS EXPERT

Collaborative Use of Business Intelligence

The collaborative use of business intelligence and insights across the entire Group serves as a strong competitive edge for Uzabase.



1. AD/NP is also planning to release a new product that leverages the Company and Industry database.
2. For details on "Company and Industry Database" and "NewsPicks Expert", refer to Appendix P46.

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01 Progress on Materiality and Major Policies for 2022

02 Financial Results for Q2 FY12/2022

03 Outlook for Q3 and Q&A for Q2

04 Business-Specific Topics: Introduction to AD/NP

05 Appendix

/ Financial Results Q2 2022

01 Progress on Materiality and Major Policies for 2022

Sustainability: Uzabase's Initiatives to Address Material Issues

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Material Issue		Main Initiatives
Social	1 **Circulating Human Knowledge**	• Number of registered NewsPicks Experts reached 20,000 • Rumi Sato appointed CCO (Chief Community Officer) to lead the initiative of enhancing the value of the NewsPicks community, as well as boosting the value of comments on news articles from experts and persons involved
	2 **"We Need What You Bring"**	• Released the D&I Report 2022
	3 **A World of Play in Business, for Everyone**	• Launched a new service for children and their families: NewsPicks for Kids
	4 **Becoming a Technology Company**	• Announced the launch of UB Research, an R&D lab aiming to expand the potential use cases for business insights and information
Governance	5 **Sustainable Management of Data and Content**	• Released a renewed version of information on employee and executive transfers, compiled by UB Datatech
	6 **New Business Model Fusing SaaS and Media**	• SPEEDA completed the development process for implementing NewsPicks ID login. All new accounts will be issued with NewsPicks IDs going forward.
Environment	7 **Addressing Climate Change**	• NewsPicks and SPEEDA both published a number of original articles on issues surrounding climate change

1. All figures and other information presented above cover the period of May 15, 2022 to July 31, 2022.

Material Issue: A World of Play in Business, for Everyone
NewsPicks for Kids: First Issue to Arrive on August 10, 2022



What is NewsPicks for Kids?

A compact 16-page newspaper tailored specifically to children.
The Editorial Team at NewsPicks will pick out the most interesting and popular stories and adapt them for children to enjoy in a newspaper format. Additionally, under a licensing agreement with The New York Times, the newspaper will contain a wide selection of translated articles from The New York Times For Kids section—a first in Japan.

From the Editor-in-Chief:

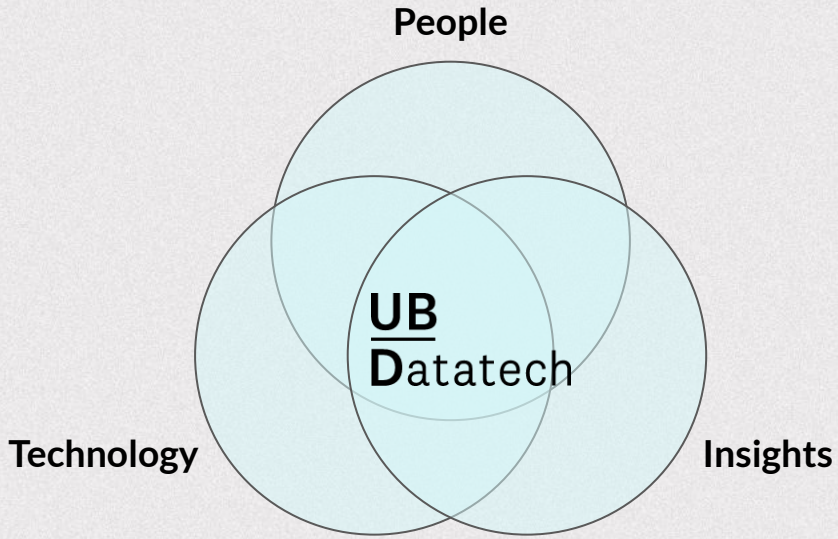
Japan, in my opinion, has been lacking in terms of high-quality, unbiased media sources that can be safely shared with children. By signing a licensing agreement with the New York Times for Kids, NewsPicks is aiming to expand children's worldviews through the provision of articles covering events happening outside of Japan, thereby demonstrating the value of news and information on the economy and business to children, our future business professionals.

From the Art Director:

While ours is by no means the first-ever newspaper for children, what we want to do differently is to make it into something that you do not just read, but something that you enjoy looking at as well. Our goal is to take all of our experience gained from the various creative challenges we've taken with NewsPicks content over the years and distill it into this new format, with the same attention to detail.

1. NewsPicks for Kids is an optional subscription available exclusively to NewsPicks Premium and Learning users.
2. For details, refer to this page (Japanese only).

Material Issue: Sustainable Management of Data and Content
Released Employee and Executive Transfer Dataset Compiled by UB Datatech



About UB Datatech

Established on October 1, 2021, with a goal of collecting and organizing assorted business information.

Combining the power of people and technology, we collect and structure a wide variety of business information that is usually scattered across various channels, compiling it into timely, high-quality data. The compiled data is then used in the Uzabase Group's products and services.



Renewal of Employee Transfer Information for SPEEDA

With the new amendments to Japan's Act on the Protection of Personal Information in April 2022, SPEEDA decided to revamp its available information on employee and executive transfers (personnel changes announced by companies publicly), switching to datasets compiled by UB Datatech starting from July 1, 2022.

Highlights of Dataset Renewal

- Quicker availability of data: provided 2-3 (business) days faster
- Wider coverage: over 14,000 companies, both public and private

1. For details on UB Datatech, refer to this page (Japanese only)
2. For details on the renewal of employee and executive transfer information, refer to this page (Japanese only).

Material Issue: Addressing Climate Change
Examples of Original Content on Climate Change Issues

SPEEDA

SPEEDA Trends Report on Emissions Trading Systems

The report offers an overview of the effect of emissions trading systems (ETS) on the business and finances of companies via financial simulations and examples of investment decisions made, as well as describing the activity of leading companies in the field.



Practical and Economic Feasibility of Carbon Neutrality

The article introduces the concept of "carbon budgeting" which has been attracting attention since around the adoption of the Paris Agreement and has become increasingly important in IPCC reports. It also provides simplified estimations on the economics of the investments into the field and costs required to realize the IEA's "Net Zero by 2050" scenario.



NewsPicks

Resurrecting the Mammoth to Stop Climate Change?

A video explaining how the Woolly Mammoth Revival Project aims to resurrect the extinct animal via gene editing of Asian elephants and how it could be used to combat climate change.



Other Examples

NewsPicks: The Next GAFA Will Come from Solo VCs + Decarbonisation

NewsPicks: No Need for Meat Alternatives? Eco-Friendly Beef is Almost Here

SPEEDA: SPEEDA Trends report "Clean Fuel"

SPEEDA: Expert opinions on government policies for decarbonisation

…and more

1. IPCC refers to the Intergovernmental Panel on Climate Change.
2. IEA refers to the International Energy Agency.

Progress on Major Policies for 2022

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	Major Policy	Main Initiatives
1	Continued investment in high-growth SaaS businesses: SPEEDA Expert Research, FORCAS, and AD/NP	• Recruitment for sales and customer success positions (a part of growth investments into the business) is progressing steadily.
2	Investment in data shared across SaaS	• UB Datatech compiled employee and executive transfer information, started providing it to SPEEDA and FORCAS Sales.
3	Continued investment in NewsPicks marketing to accelerate growth	• After analysing the results of the fist campaign (Apr 4–Apr 29), launched the second campaign (Jun 15–Jul 14). More detailed information provided on later slides.
4	Synergy between SaaS & NewsPicks: Finalize shared user IDs	• Login via NewsPicks ID enabled as part of all new SPEEDA accounts.
5	Synergy between SaaS & NewsPicks: Make NewsPicks a marketing channel for SaaS	• NewsPicks Stage. produced and streamed 7 original programs on business topics.

Based on the results from a trial run of TV advertisements for NewsPicks, future investments will focus on the “winning” patterns to maximize efficiency



- After two trial runs of TV advertisements (in April and from mid-June to mid-July) with different time slots, programs, and advertisement designs, we identified the best combination that translated into the most efficient acquisition of new users for the free version of NewsPicks.

- In H2, a limited run of TV advertisements is planned within the scope of efficient user acquisition for the free version. The amount of investments into advertisement is expected to decrease compared to H1.

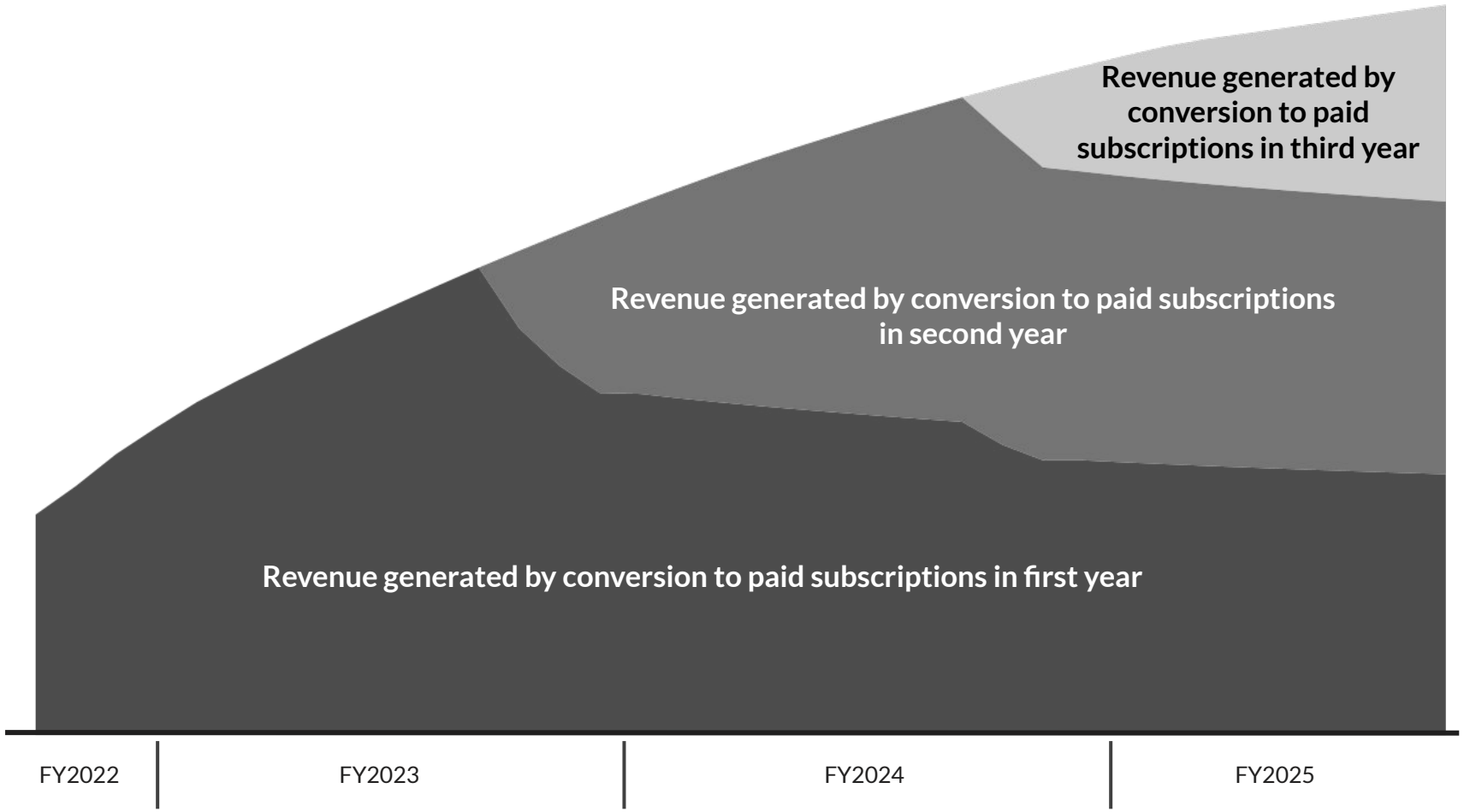
- The decision on whether to continue the TV advertisement campaign in 2023 onwards has yet to be made. However, should it continue, it will be done in an efficient manner, ensuring that NewsPicks remains independently profitable.

Vision of Theoretical Net Sales Growth Accompanying the Conversion of TV Advertisement-Driven Free Account Users into Paying Subscribers

Free account users that have been attracted by the TV advertisements will gradually convert into paying subscribers.

Due to the gradual nature of this process, the effects of the TV advertisement campaign in H2 on earnings will mostly begin manifesting themselves in FY2023 onwards.

Going forward, we intend to continue applying our LTV model for free accounts in the course of making appropriate decisions on the effectiveness of marketing campaigns, including TV advertisements.



/ Financial Results Q2 2022

02 Financial Results for Q2 FY12/2022

/ Financial Results Q2 2022

Highlights for Consolidated Results

Q2 2022 Highlights

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Segment	Q2 Summary	ARR (YoY Change)	Net Sales (YoY Change)	EBITDA (Margin)
Consolidated	• Net sales growth rate accelerated QoQ • EBITDA slightly in the red due to experimental TV advertisements for NewsPicks	13,574MM (YoY+22%)	4,345MM (YoY+15%)	-0.03MM (—)
SaaS	• ARR and Net Sales growing steadily • EBITDA dipped slightly due to early investments into recruitment	11,037MM (YoY+28%)	2,988MM (YoY+27%)	311MM (10.4%)
NewsPicks	• Net Sales down YoY, but the decline narrowed QoQ • EBITDA in the red due to experimental TV advertisements	2,582MM (YoY+4%)	1,363MM (YoY-4%)	-296MM (—)

1. All monetary amounts are truncated values. Progress rates and growth rates are rounded to the nearest whole (same applies for all slides that follow).
2. ARR (Annual Recurring Revenue) refers to the total amount of recurring revenue generated over a year, calculated as MRR (Monthly Recurring Revenue) multiplied by 12.
3. SaaS ARR is the sum total of ARRs for SPEEDA, INITIAL, SPEEDA EDGE, FORCAS, FORCAS Sales, and AD/NP.
4. NewsPicks ARR is ARR from NewsPicks Premium and NewsPicks Learning (individual) subscriptions.
5. EBITDA = Operating Profit + Depreciation and Amortization (including Goodwill Amortization) + Stock Compensations.

ARR

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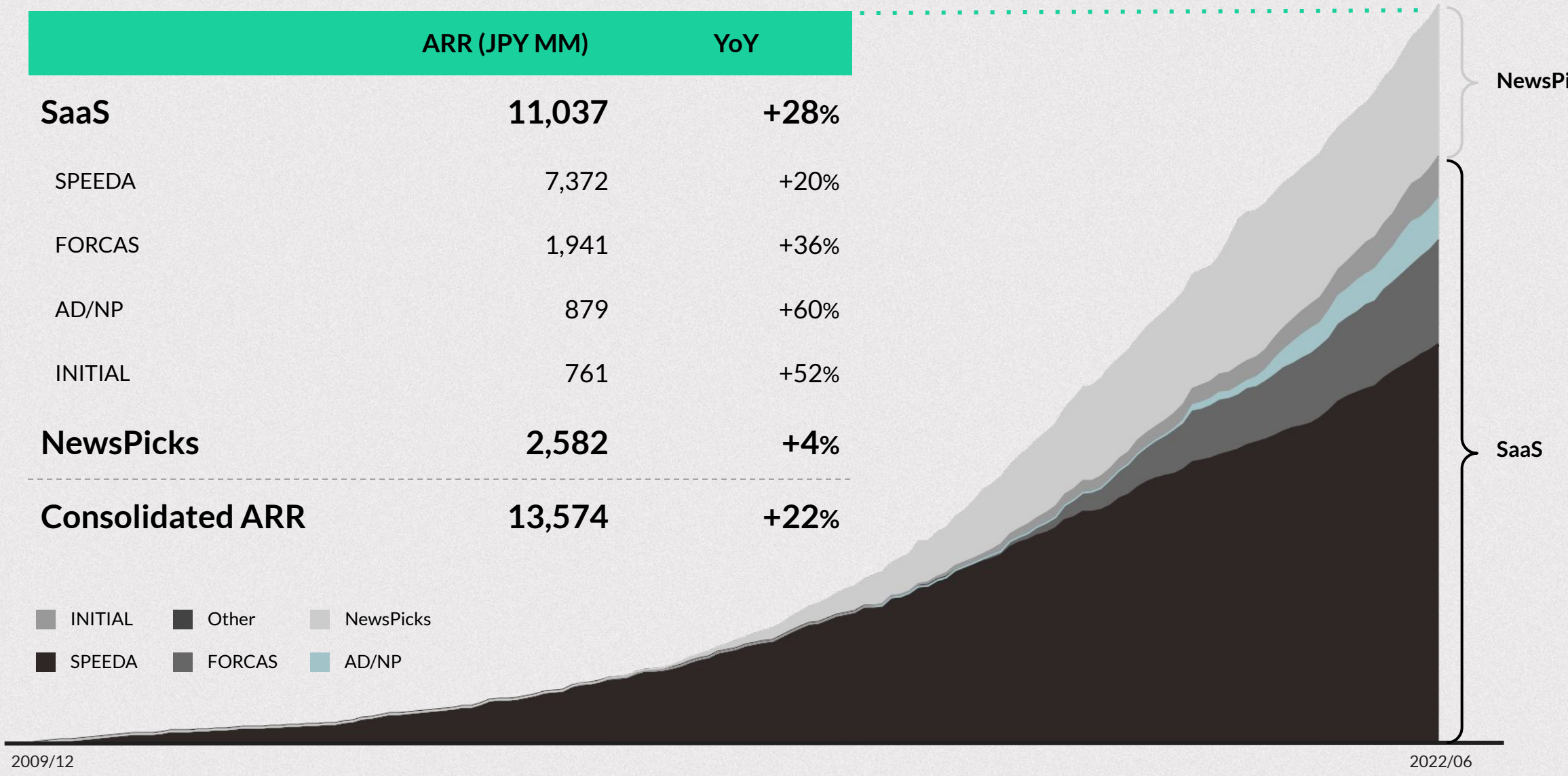
	ARR (JPY MM)	YoY
SaaS	**11,037**	**+28%**
SPEEDA	7,372	+20%
FORCAS	1,941	+36%
AD/NP	879	+60%
INITIAL	761	+52%
NewsPicks	**2,582**	**+4%**
Consolidated ARR	**13,574**	**+22%**



1. ARR (Annual Recurring Revenue) refers to the total amount of recurring revenue generated over a year, calculated as MRR (Monthly Recurring Revenue) multiplied by 12.
2. Consolidated ARR excludes internal transactions between segments.

Actuals vs Forecast

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Progress for Consolidated Net Sales slightly slower than forecast due to the effects of Net Sales in NewsPicks' Advertising business.

Progress for EBITDA is in line with the forecast.

Unit: JPY MM	Actuals for Q2 2022	Full-Year Forecast	Progress Rate	
			vs Lower Bound	vs Upper Bound
Net Sales	8,650	19,500–20,000	44%	43%
EBITDA	654	1,000–1,500	65%	44%
Operating Profit	342	400–900	86%	38%
Ordinary Profit	519	400–900	130%	58%
Net Profit Attributable to Parent Company Shareholders	149	Profitability	—	—

1. Full-Year Forecast refers to figures disclosed on February 9, 2022.

Consolidated Net Sales

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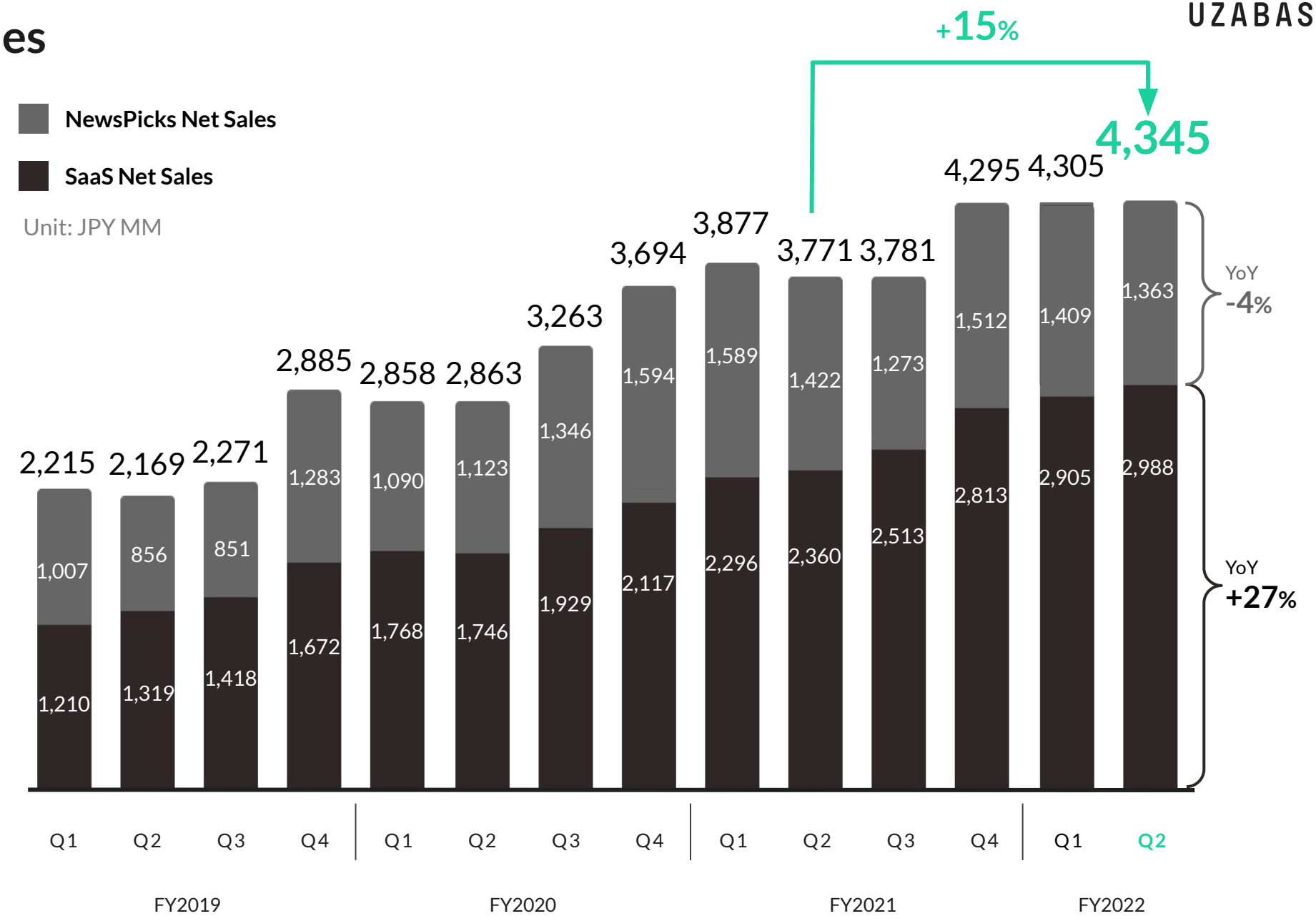
Net Sales for SaaS grew steadily, but NewsPicks reported a decline.

While the impact from the closure of NewsPicks GINZA, among other factors, is still being felt, the related decline has narrowed QoQ.



1. Consolidated net sales up to Q4 FY2020 exclude Quartz and are calculated as Consolidated Net Sales minus Quartz's Net Sales.
2. For consolidated net sales including the Quartz business in previous years, refer to the Appendix.
3. Net Sales for SaaS and NewsPicks include internal transactions between segments, hence their sum total does not match the Consolidated Net Sales.

Consolidated EBITDA

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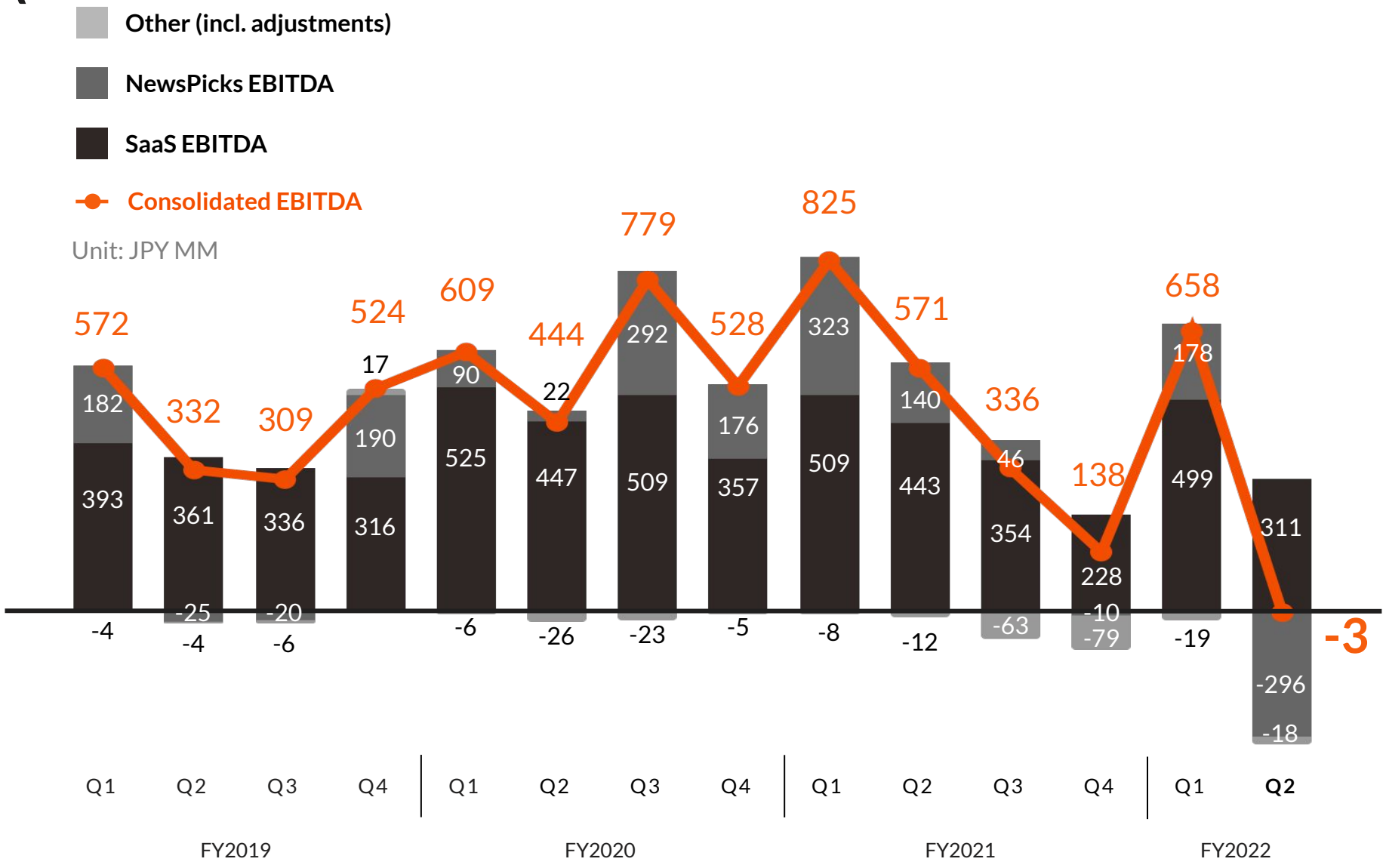
With investments into experimental TV advertisements for NewsPicks and growth investments into fast-growing SaaS businesses, EBITDA slipped slightly into negative territory.



1. Consolidated EBITDA up to Q4 FY2020 excludes Quartz and is calculated as Consolidated EBITDA minus EBITDA for Quartz.
2. For consolidated EBITDA including the Quartz business in previous years, refer to the Appendix.
3. Other (incl. adjustments) refers to business segments outside of SaaS and NewsPicks, such as new businesses administered by Corporate, as well as SG&A costs related to the entire Uzabase Group and not attributable to any particular business and eliminations of internal transactions.

/ Financial Results Q2 2022

Highlights for SaaS Segment

SaaS Segment: Product Portfolio Management Policy

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We will develop a series of new businesses that leverage our core business intelligence assets to achieve sustainability in terms of both high growth and stable earnings as a SaaS business.

In FY2022, we will continue our selective investments into SPEEDA Expert Research, FORCAS, and AD/NP.

	Business Launch	High Growth Phase	Stable Growth Phase
Growth Rate Reference	**50%** or more	Around **40%**	Up to **30%**
Profitability Reference	**Still unprofitable or breaking even**	**0–20%**	**20–35%**
Business Strategy Field	SPEEDA Expert Research SPEEDA EDGE	INITIAL	SPEEDA (excl. Expert Research)
Customer Strategy Field	FORCAS		
Organizational Strategy Field	AD/NP		

1. "Growth Rate" refers to net sales growth rate; "Profitability" refers to EBITDA margin.

SaaS Segment: Q2 FY2022 Highlights

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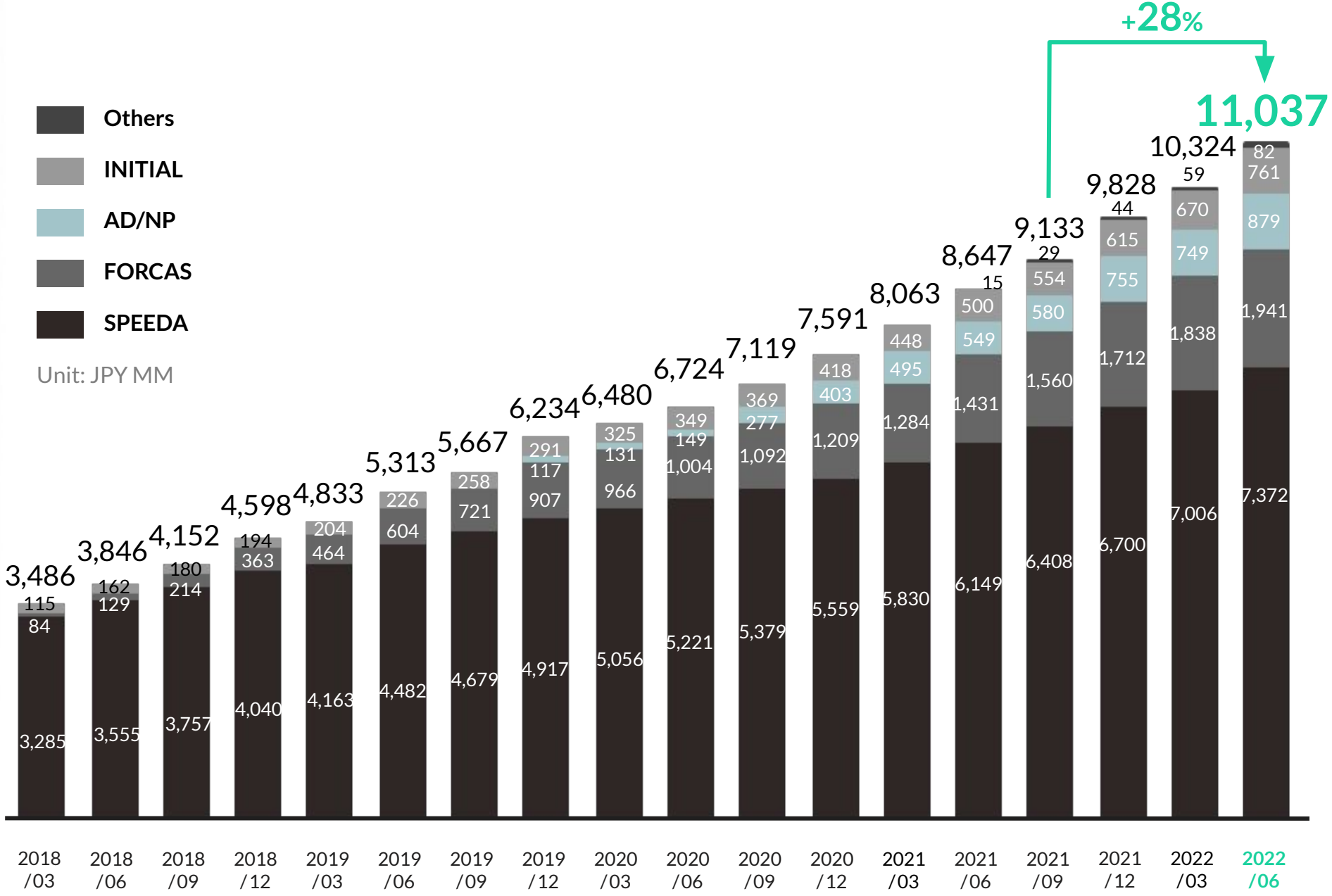
Category		Q2 Summary	ARR (YoY Change)	Net Sales (YoY Change)	EBITDA (Margin)
SaaS Overall		• ARR and Net Sales growing steadily • Profits on track with forecasts	11,037MM (YoY+28%)	2,988MM (YoY+27%)	311MM (10.4%)
SPEEDA		• Maintained stable growth rate and high profitability	7,372MM (YoY+20%)	1,980MM (YoY+21%)	546MM (27.6%)
INITIAL		• Maintained high growth rate paired with high profitability	761MM (YoY+52%)	188MM (YoY+44%)	45MM (24.1%)
High-Growth Businesses Targeted for Investment	SPEEDA EXPERT RESEARCH	• Maintained high growth rate, also steadily investing into talent recruitment	—	—	—
	FORCAS	• Growth rate saw a slight downtick, but business still expanding steadily	1,941MM (YoY+36%)	478MM (YoY+35%)	-84MM (—)
	AD/NP	• Maintained high ARR growth rate	879MM (YoY+60%)	342MM (YoY+42%)	-114MM (—)

1. Figures for SPEEDA include SPEEDA EXPERT RESEARCH.

ARR

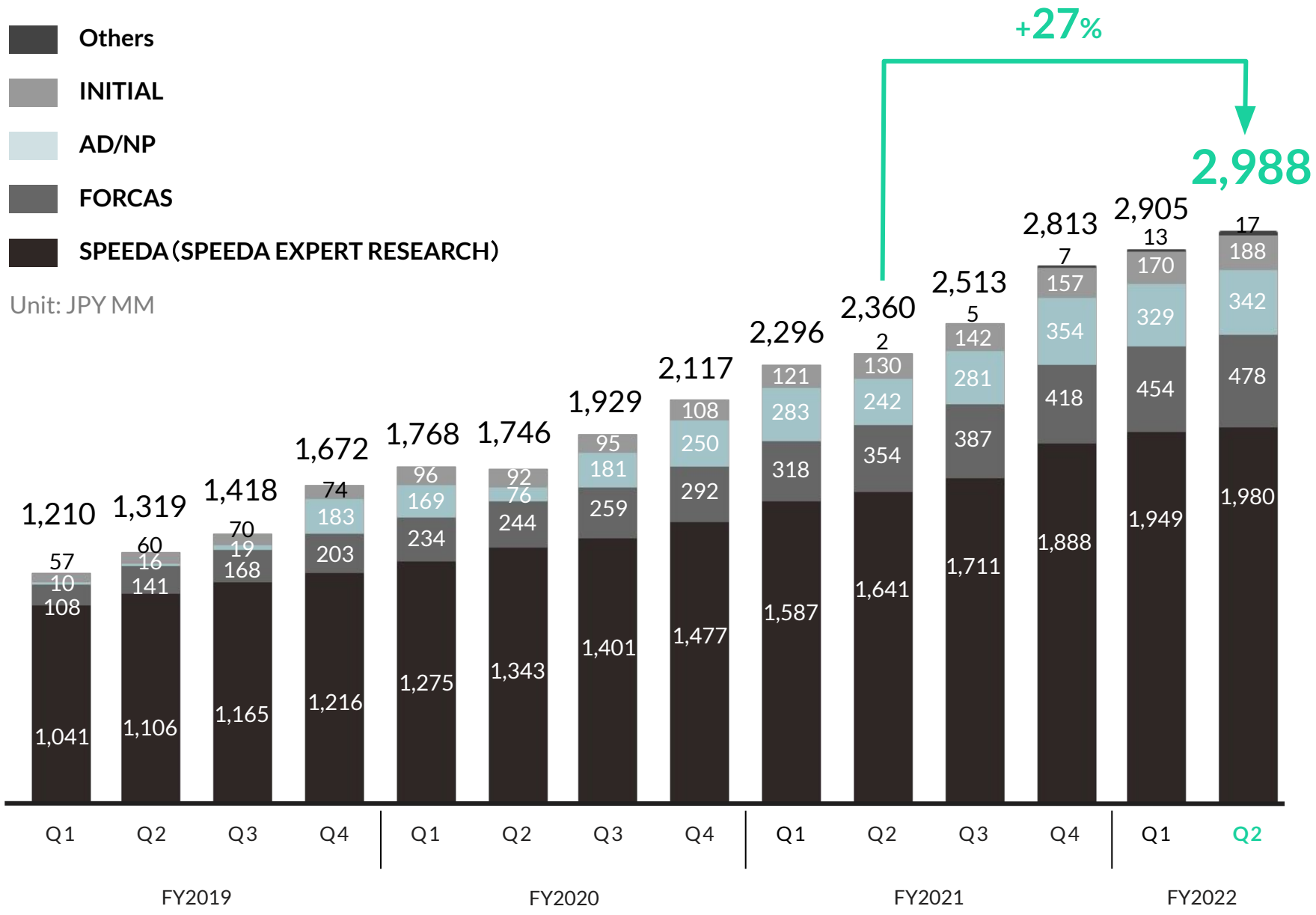
ARR increased by 28% YoY



1. ARR (Annual Recurring Revenue) refers to the total amount of recurring revenue generated over a year, calculated as MRR (Monthly Recurring Revenue) multiplied by 12.

Net Sales

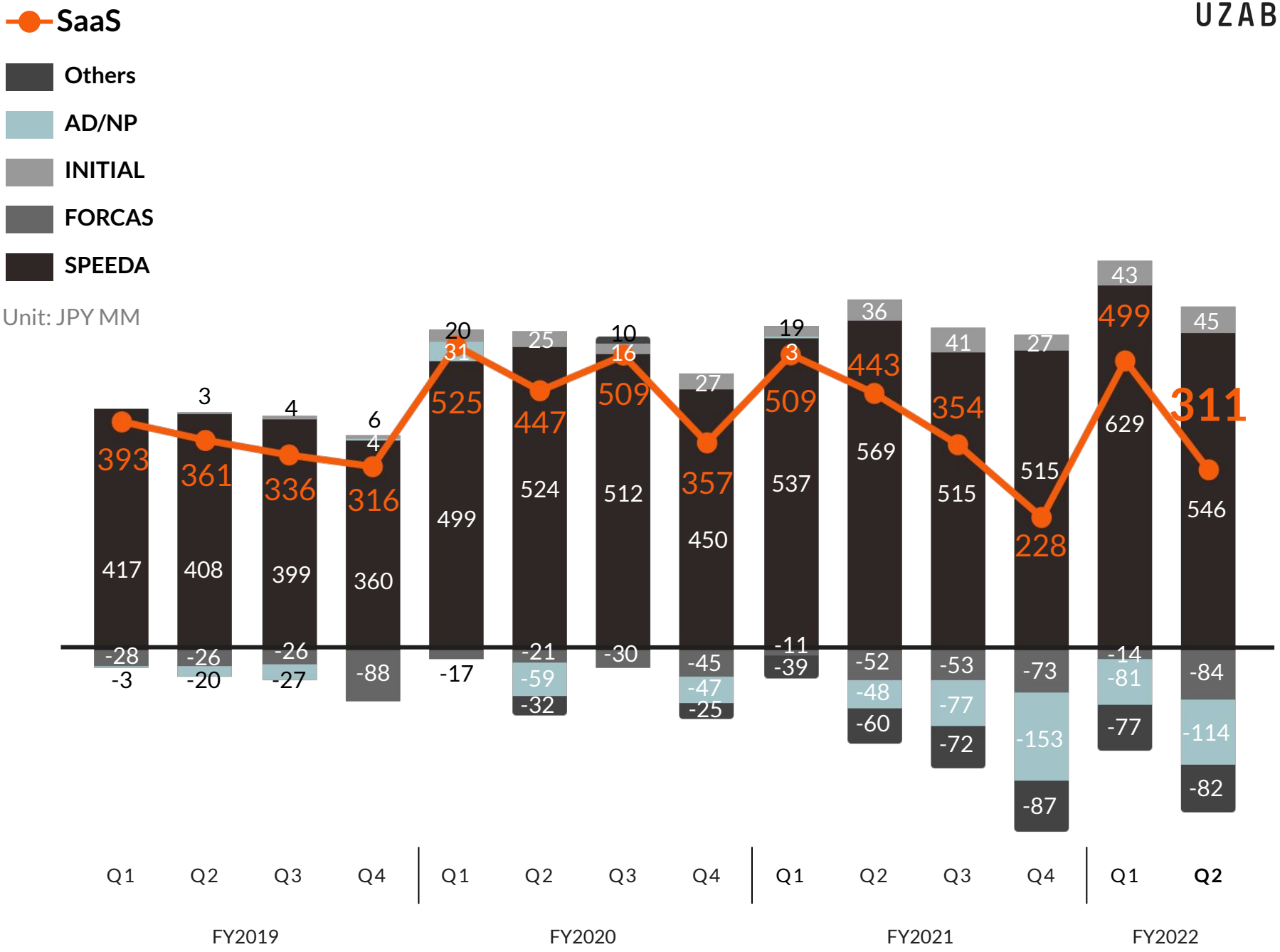
Net Sales also grew by 27% YoY



1. Net Sales for each product include internal transactions within the SaaS segment, hence the sum total of each product does not match the total for the entire SaaS.
2. Intersegment sales withe the NewsPicks business are included.

EBITDA

SaaS continues to maintain an overall business structure that generates steady profits amid ongoing investments into business growth.

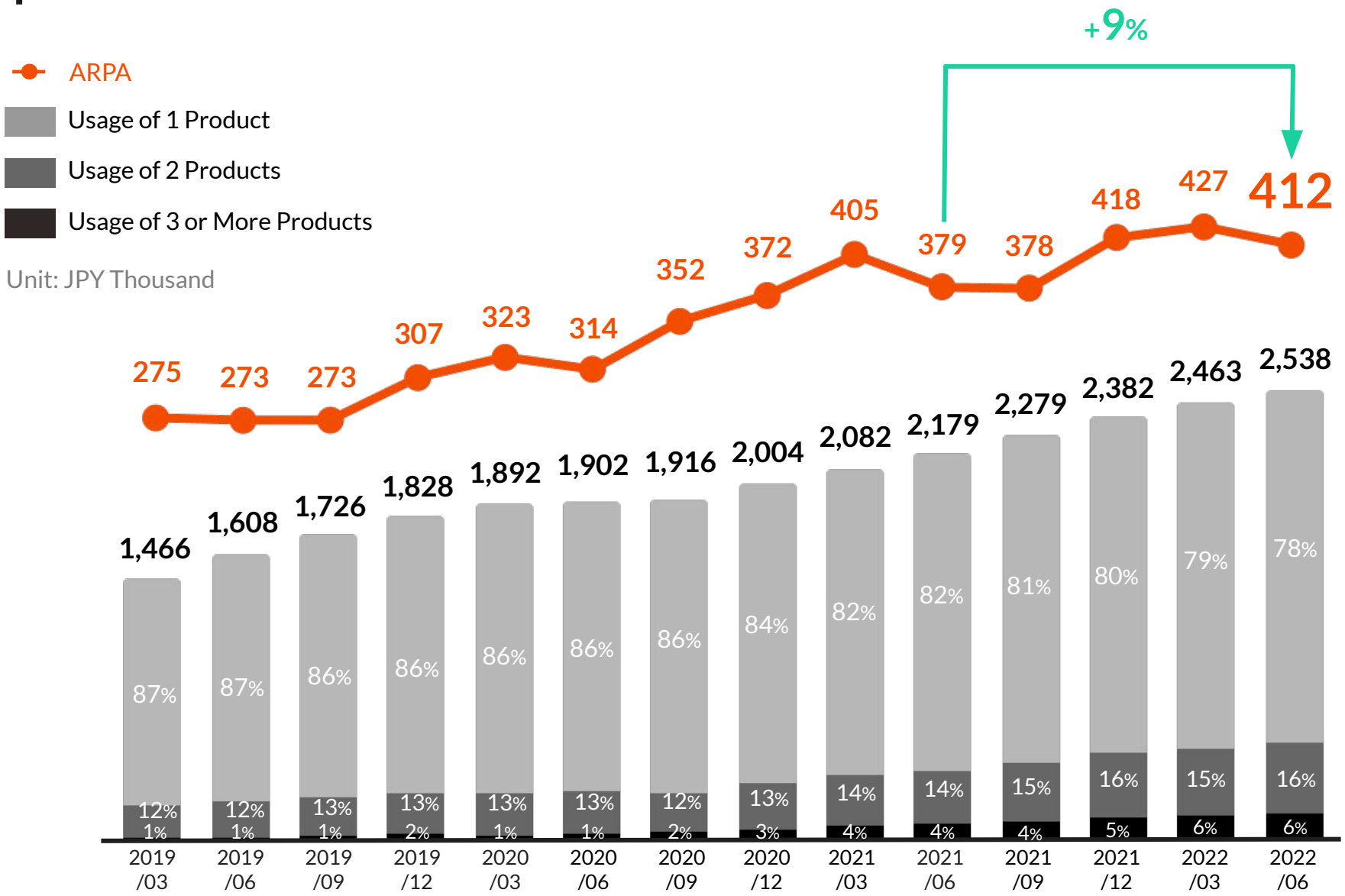


1. Transactions within the SaaS segment are included, hence the sum total of each product's EBITDA does not match that of SaaS.

SaaS: Number of Companies Subscribed and ARPA

In this quarter, SaaS is disclosing the number of subscribers and ARPA across the entire segment for the first time.

The share of companies using two SaaS products or more is currently at 22%, but we intend to gradually grow this number.



1. If the same legal entity has contracts for multiple SaaS products, it is counted as 1 company for the purposes of this calculation.
2. ARPA is calculated by dividing actual monthly net sales by the number of companies subscribed across the SaaS segment as of the end of each month.
3. Monthly net sales figures for SaaS through 2021 are presented according to the previous version of accounting standards for revenue recognition.
4. Product usage rate is rounded up to the nearest whole.

/ Financial Results Q2 2022

Highlights for NewsPicks Segment

NewsPicks Segment: Q2 FY2022 Highlights

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Business	Q2 Summary	ARR (YoY Change)	Net Sales (YoY Change)	EBITDA (Margin)
NewsPicks Overall	• Net Sales decline narrowed on a QoQ basis • EBITDA currently negative due to investments into experimental TV advertisements	2,582MM (YoY+4%)	1,363MM (YoY-4%)	-296MM (—)
Paid Subscriptions	• ARR grew YoY, but declined QoQ	2,581MM (YoY+4%)	610MM (YoY+6%)	—
Advertising	• Video ad sales team and advertorial team have both resolved resource issues, putting the business back on a growth track in terms of Net Sales	—	667MM (YoY+9%)	—
Other	• Other businesses recorded a Net Sales decline due to the closure of NewsPicks GINZA and lower Net Sales in Publishing	—	85MM (YoY-63%)	—

ARR

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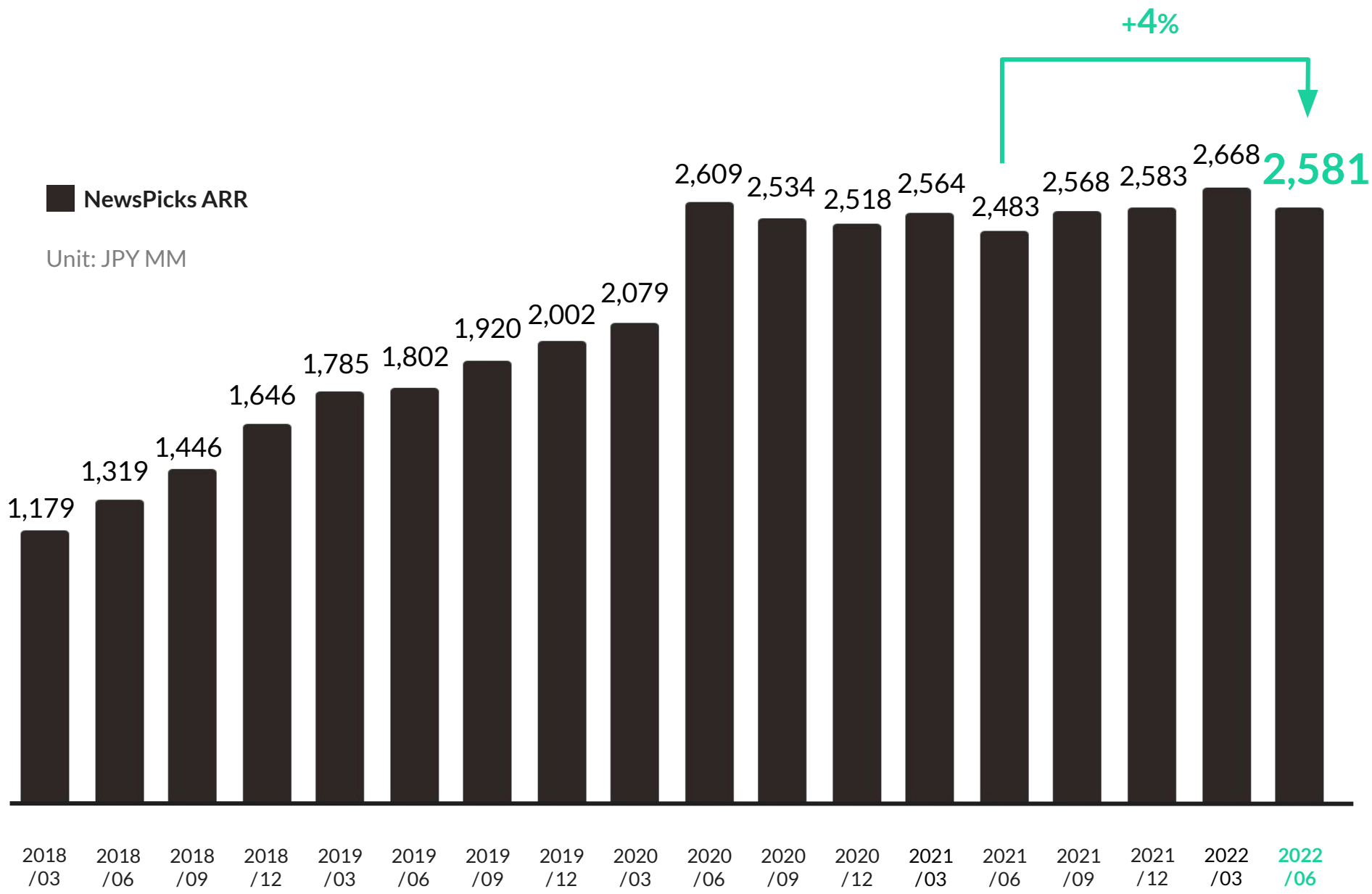
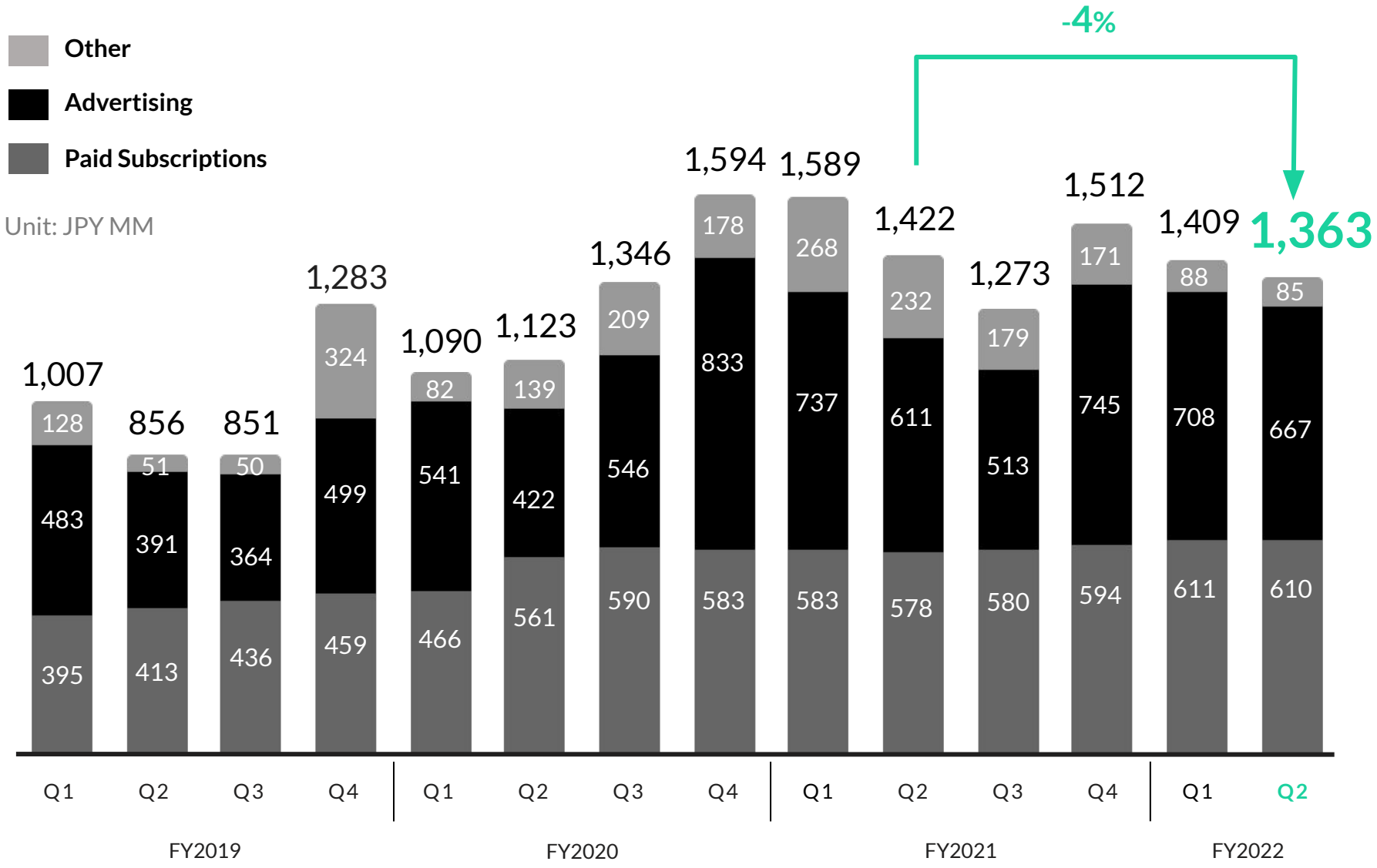
ARR grew YoY, but declined on a QoQ basis after another recoil effect from the irregular surge in subscriptions seen two years ago.



1. ARR (Annual Recurring Revenue) refers to the total amount of recurring revenue generated over a year, calculated as MRR (Monthly Recurring Revenue) multiplied by 12.

Net Sales

Both Paid Subscriptions and Advertising posted higher Net Sales YoY, but due to a YoY decline in Other businesses, Net Sales for NewsPicks as a whole declined YoY.



1. Intersegment transactions with the SaaS Business are included.
2. The Paid Subscription business excludes the net sales of NewsPicks Enterprise and NewsPicks Learning (Enterprise).
3. Other businesses include publishing and content sales, but exclude the net sales of AlphaDrive and AlphaDrive Kochi, which have been moved to the SaaS Segment.

EBITDA

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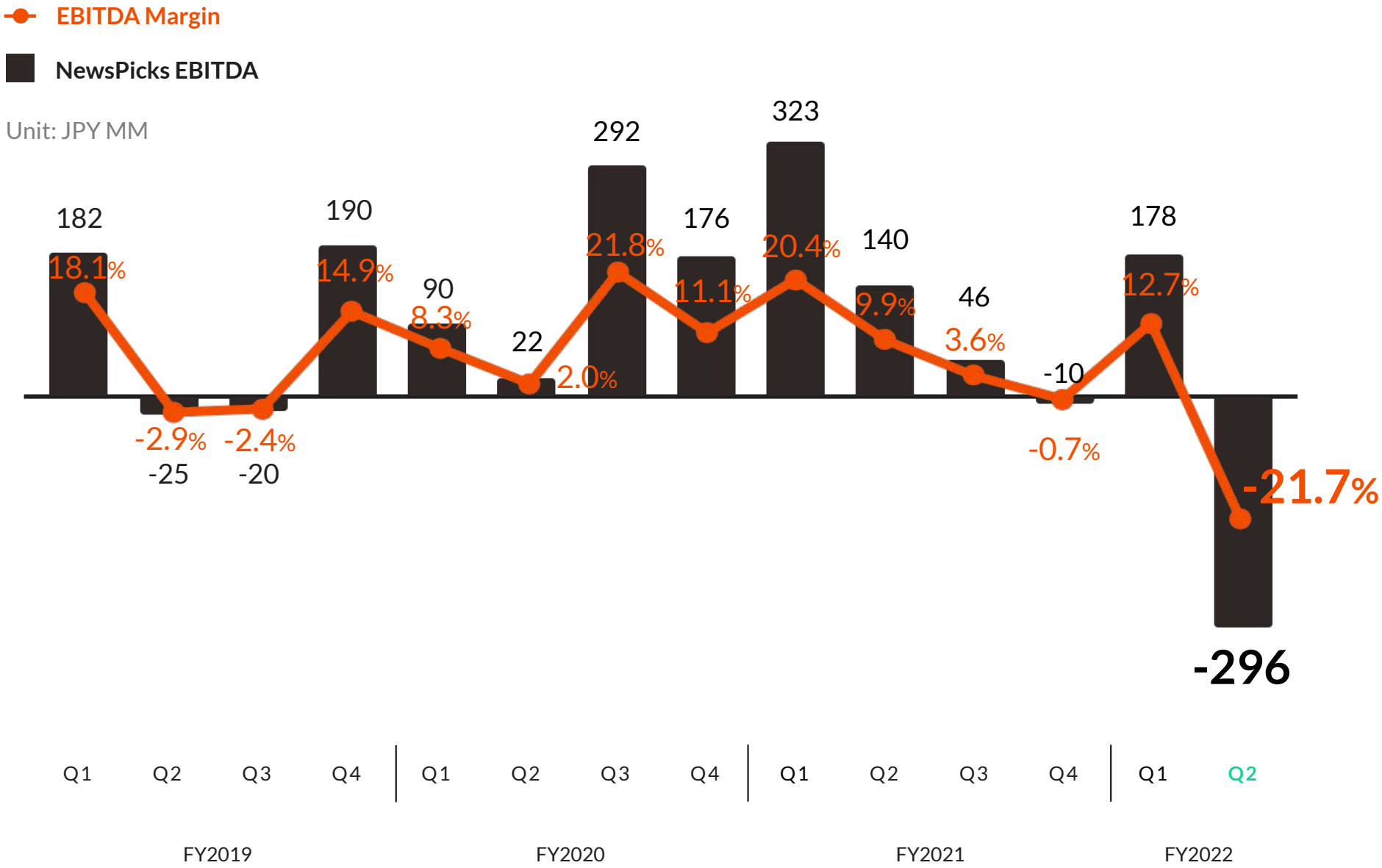
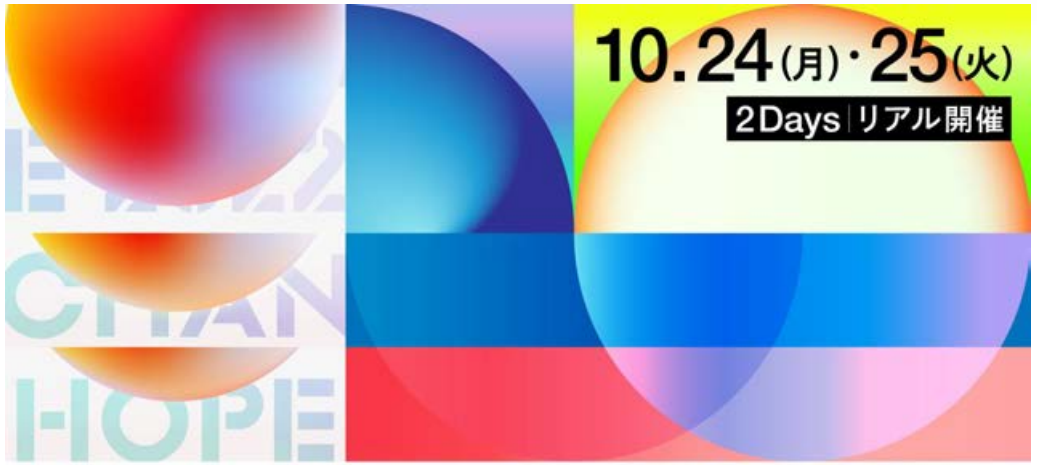
In line with previous forecasts, EBITDA was in negative territory due to the experimental TV advertisement campaign.



From Marunouchi, the Heart of the Japanese Economy, a Large-Scale Event to Inspire Hope Across Japan



東京・丸の内エリアを舞台にした大型ビジネスフェスティバル

CHANGE to HOPE 2022

Overview

WHEN: **October 24–25, 2022**

WHERE: Marunouchi, Tokyo (hybrid online/offline)

WHAT: Panel discussions, workshops, pitch sessions, and more!

Main Sponsor 三菱地所

Support from (tentative) 経済産業省 Ministry of Economy, Trade and Industry　金融庁 Financial Services Agency

2022.8.4現在

変化は希望だ

― 地球・ビジネス・個人の希望を見つけ出す ―

変化から希望を見出す唯一の方法は、変化に飛び込み、行動すること。では、今、注目の人はどんな変化に正面からぶつかっているのか。「地球の希望」「個人の希望」「ビジネスの希望」の3つをメインテーマに、日本経済の中心「丸の内」から、希望という灯をともしていく。



/ Financial Results Q2 2022

03 Outlook for Q3 and Q&A for Q2

Outlook for Q3 2022

Segment	Outlook for Q3
Consolidated	• Net Sales for SaaS are not exhibiting any signs of being influenced by the recession at the moment, but the risks lie in the extent to which it could affect Advertising Net Sales for NewsPicks • EBITDA was originally expected to bottom out in Q2, but a part of expenses has slid into Q3. This has resulted in narrower-than-expected EBITDA loss in Q2, which is now projected to bottom out in Q3 instead. No changes to the full-year EBITDA projections are expected.
SaaS Segment	• ARR is expected to demonstrate steady growth
NewsPicks Segment	• ARR is expected to be nearly flat • Resource issues within the Advertising business are expected to be resolved via hiring and training

Q&A for Q2 2022

Q. The progress for Consolidated Net Sales is slightly behind the forecasts—is the forecast figure still achievable?

The slight delay in progress is due to lower-than-expected net sales in NewsPicks' Advertising business. In H2, we expect advertising sales to increase due to large-scale business events planned, among other factors. As such, we are expecting the final figure to land within the forecast range.

Q. The growth rate of Consolidated Net Sales was once again in the 10% range, continuing on from Q1. How is the progress towards the 30% target and what are the prospects of actually reaching it?

The growth rate for Net Sales in the SaaS segment is currently close to 30% and we will aim to reach the target by increasing the share of contributions from new, fast-growing businesses. As for the NewsPicks segment, we are expecting a recovery towards an uptrend in Net Sales for the Advertising business from Q3 onwards. In the Paid Subscriptions business, we intend to achieve continuous growth via TV advertisements and other measures, aiming to boost the overall growth rate for Net Sales.

Q. What are the factors behind the EBITDA loss despite flat Consolidated Net Sales YoY?

Main factors include the significant increase in advertising costs due to the experimental run of NewsPicks' TV advertisements and an early uptick in labor costs due to the steady progress of hiring in sales and customer success teams within the SaaS segment.

Q. Has the overall economic environment, including the possibility of recession, had an impact on Uzabase's business?

We have yet to observe any impact on churn rate or other metrics in the SaaS segment. As for NewsPicks, some effects have been partially seen on high-priced video advertisements. As such, we intend to minimize the effects on advertising sales via measures including the hosting of large-scale business events.

Q&A for Full-Year FY2022

Q. What are the factors behind SPEEDA's EBITDA Margin not reaching 30%? What are the future prospects?

Growth investments into SPEEDA EXPERT RESEARCH are the main factor behind this. As growth investments continue in the future, we expect the margin to temporarily dip slightly below the 30% mark in FY2022.

Q. What is the reason for such a noticeable drop in ARR on a QoQ basis despite the launch of TV advertisements ?

The TV advertisements are aimed at acquiring users for the free version of NewsPicks, and converting them to paying users will take some time. The decrease in ARR as of Q2 is attributed to the decrease in subscribership (**not accompanied** by churn deterioration) as part of the recoil effect following the acquisition of an irregularly high number of new users two years ago and a discounted annual subscription campaign one year ago.

Q. Having received approval for the Business Adaptation Plan from the Ministry of Economy, Trade and Industry, what numerical effects will the company see on the Net Profit Attributable to Parent Company Shareholders in FY2022?

Net Profit Attributable to Parent's Shareholders is expected to increase due to tax breaks on corporate, municipal, and business taxes, as well as the recognition of deferred tax assets. However, we are still assessing the exact numerical effects on earnings and intend to disclose them once a rational estimate can be projected. For more details on the Business Adaptation Plan and relevant tax breaks, see this notice.

Q. As Uzabase's stock price remains weak, what are the factors behind this trend and what steps are you taking to improve the situation?

One factor is that the target growth rate of the business, which we discussed during the briefing on the Long-Term Strategic Plan, has yet to be borne out with actual results. Through the synergistic fusion of SaaS and NewsPicks, we are looking to achieve growth in both businesses and increase the stock price.

/ Financial Results Q2 2022

04 Business-Specific Topics: Introduction to AD/NP

AlphaDrive/NewsPicks: Fostering Organizations that Innovate

A company integrating AlphaDrive, which offers support for new business development, and NewsPicks for Business, the enterprise-focused wing of NewsPicks. AlphaDrive/NewsPicks (AD/NP) aims to support companies in their efforts to foster employee-driven innovation.

AD/NP aspires to be a Human Capital Management Platform by helping companies enact the organizational changes necessary for implementing agile management

	Fostering Employee Autonomy	Cultivating the Skills for New Business Development	Actually Creating the New Business	Nurturing the Fledgling Business
	Create a cross-departmental community for employees, where they can learn from and inspire each other, using internal and external news as a starting point.	Provide a combined OJT/Off-JT program to equip employees with practical skills for new business development.	Launch the new business program, set rules for investment and talent development, and create an operational structure that can work long-term.	Flesh out the new business ideas that were picked for investment, develop the business itself and the team responsible for it, and take it to the growth stage.
People	・Production of content tailored for client company ・Expert events ・Facilitation for study groups	・New business development training (from interviewing skills to business planning) ・Practical mentoring	・Consulting on the design ・Outsourcing of related operations and screening	・Business acceleration (from sales to development) ・Focused business nurturing (nurturing an entire team or business)
Product	NEWS PICKS Enterprise	NEWS PICKS Learning / INCUBATION SUITE 	INCUBATION SUITE	N/A

Discovering and Quantifying Talent for Driving Innovation

AlphaDrive Value Assessment

Main Products

NEWS PICKS Enterprise



INCUBATION SUITE



NewsPicks Enterprise: Fostering Employee Autonomy

Exclusive, employee-only space	News curated by employees themselves
Articles written by and for internal teams	Ability to comment on articles
Data visualization	Live-streaming internal events
Access to cutting-edge practical knowledge	

Incubation Suite: Assisting with New Business Development

Entry and screening status management	Team member recruiting
Training participants management	An archive of the process to verify hypotheses
Milestone management	Comments on business ideas
Project and business idea management	Receive advice from mentors via chat

1. For details on NewsPicks Enterprise, refer to this page (Japanese only)
2. For details on the Incubation Suite, refer to this page (Japanese only)

Incubation Suite User Profile: Kirin Holdings

Number of business ideas surged by 170% in just 2 years, quality of proposals also increased

Joy brings us together KIRIN

Used for Establishing a New Business Proposal Program



Why Incubation Suite?

Wanted to raise awareness of the open call for new business ideas, increase the number of ideas, and further improve the quality of proposals

- Volunteers among employees attempted to hold a number of workshops to come up with ideas for new services, but the ideas were too difficult to turn into actual businesses and create new value, resulting in no breakthrough being achieved.
- The corporate planning department of the holdings company tried taking the lead in establishing a business proposal program and put resources into it, but they struggled with a lack of awareness of the program within the company, as well as a lack of understanding among employees about what needed to be done even if they wanted to start a new business.
- The company signed up to receive consulting services on the design of new business development systems and implemented the Incubation Suite, thereby improving internal communications regarding the program to raise awareness, and boosting efforts to assist employees with their proposals.

Number of new business proposals increased by 170% (60→166) in two years

1. For details, refer to this page (Japanese only)

NewsPicks Enterprise User Profile: Mitsubishi Heavy Industries
More Conversations in News Comment Section, Boosting Cross-Team Interaction

UZABASE

Used by the Organizational Culture Reform Group (Commercial Aircraft Segment's Administration Department)



Why NewsPicks Enterprise?

Wanted to expand lateral connections and unleash the potential hidden within their employees.

- Its conservative organizational culture and solid past track record have made it difficult for employees to feel an urge to pursue change. There has also been a lack of cross-team interaction and networking that could serve as a foundation for building the future of the company.
- Further, given that the Organizational Culture Reform group was originally intended to create a system for managing people and teams to prevent them from repeating past mistakes, this also gave rise to doubts that the Group's activities were actually stifling the potential of employees.
- After implementing NewsPicks Enterprise, many more employees began actively sharing ideas and opinions.
- An article posted by one employee would serve as a starting point for exchanging opinions via comments, creating connections, and spontaneously organising study groups.

Contributed to an organizational shift from a conservative corporate culture to a highly autonomous one

1. For details, refer to this page (Japanese only).

/ Financial Results Q2 2022

05 Appendix

Overview of SaaS Products

SaaS Products Offering Support for the Implementation of Agile Management

Business Area	Business Strategy	Customer Strategy	Organizational Strategy
	Business planning, competitive analysis, M&A, investment strategy, new business development	Customer targeting, digital sales/marketing, new business development	Corporate culture transformation, employee training, talent search, new business development
Product	SPEEDA EDGE INITIAL	FORCAS FORCAS Sales	AlphaDrive / NewsPicks

Overview of NewsPicks

NEWS PICKS

A Leading Business News Media Outlet in Japan

3 Main Features

Platform

Curated news on business and the economy from over 100 media sources in Japan and abroad

Media

Original articles and video content created by NewsPicks' own editorial team and distributed via the platform

Community

Comments and more detailed explanation on articles and videos provided by experts from various fields

Shared Strengths: Business Intelligence System Based on Data, Content, and Knowledge

UZABASE

1 Data

Listed/Unlisted Companies (Global)	Startups (Global)
10.0+ million	1.57+million
Company Features	**IP/Patent Trends**
1,800+ types	522 categories

2 Content

News Media Sources (Global)	Industry & Trends Reports
2,500+	5,000+
Original Articles (Cumulative)	**Original Video Content (Cumulative)**
20,000+	2,000+

3 Knowledge

NewsPicks ProPicker	Expert Network
200+	130,000 Experts in Japan: 20,000+ Experts Abroad: 11,000+

Business Intelligence Competitive Edge

- **Long-term partnerships** with top data suppliers in Japan and abroad (Morningstar, Tokyo Shoko Research, etc.)
- Original data (data on startups, software service usage statistics) **compiled over a long period of time and stored on the platform(s)**

- Top-class journalists, editors, and designers producing **high-quality articles on a regular basis**
- Our strong team of 70 analysts in Sri Lanka (since 2016) **produce a large volume of reports on a regular basis at a relatively low cost**

- Value provided by **numerous ProPickers sharing their views via NewsPicks and the community around them**
- **Major expansion of expert network in Japan and abroad** via the acquisition of MIMIR in 2020 and partnerships with expert network providers abroad

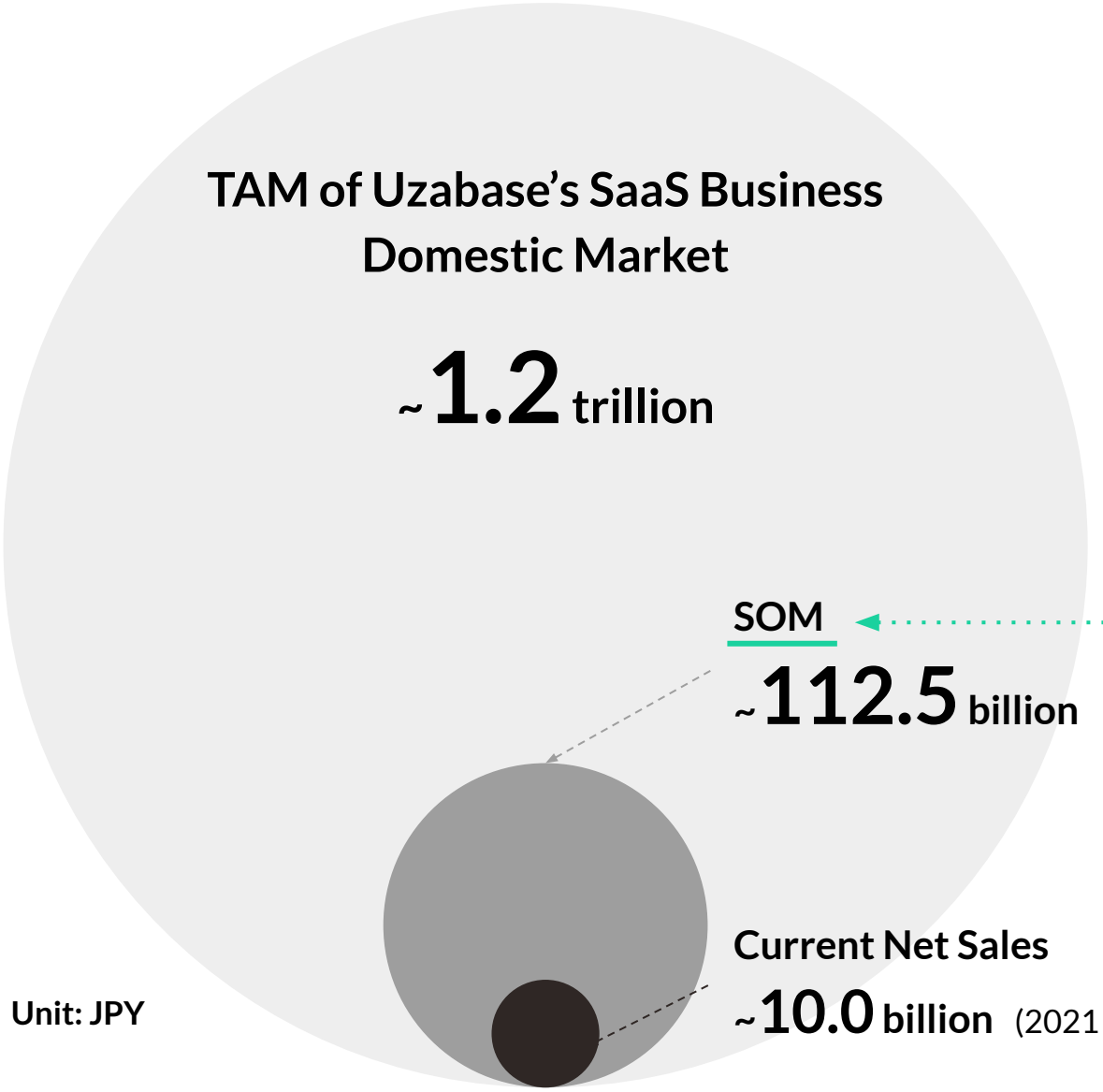
1. All figures presented are as of end-June 2022.

Transforming Management Consulting Market: Cloud Shift and Democratization

UZABASE

The TAM of Uzabase's SaaS business is estimated at JPY 1.2 trillion in Japan and JPY 20 trillion globally.

Meanwhile, the SOM, or the size of the market that could be captured with the value proposition offered by the current product lineup and is also identifiable down to specific company names, is estimated at JPY 112.5 billion for the entire SaaS business.



TAM of Uzabase's SaaS Business
Global Market
~20 trillion

Serviceable Obtainable Market

Market size reachable with the current value proposition

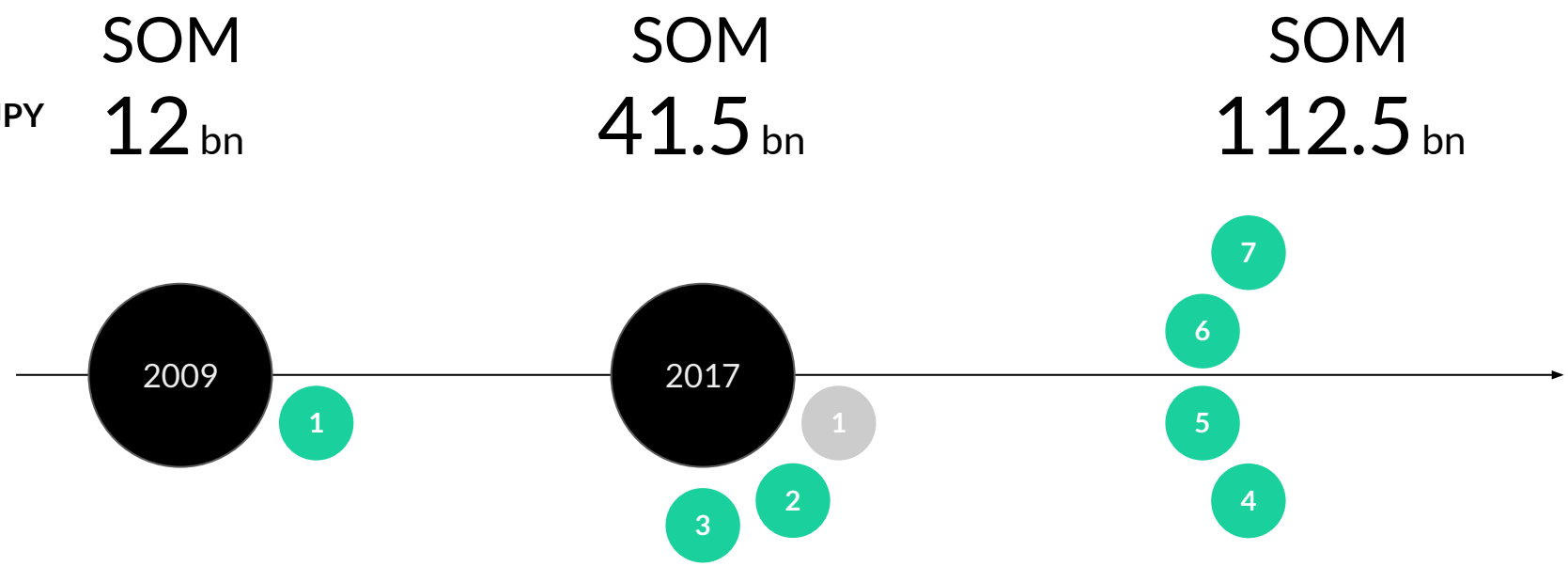
1. TAM (Total Addressable Market) is the total potential market size for Uzabase's SaaS business. The domestic market is estimated with reference to the domestic consulting services market forecast described in "Announcing the Domestic Consulting Services Market Forecast" (Japanese only) published by IDC Japan (July 1, 2021). The global market calculation references "Management Consulting Services - Global Market Trajectory & Analytics" by Global Industry Analysts Inc. (GIA).
2. SOM (Serviceable Obtainable Market) is estimated by calculating the number of target companies for each product using FORCAS, and then adding up all expected customer spending for each product.

Expansion of SOM Through Continuous Development of New Products

UZABASE

Within the vast market for management consulting services, we have continuously expanded our SOM by developing and releasing new products that leverage business intelligence and insights.

Unit: JPY



1. SPEEDA

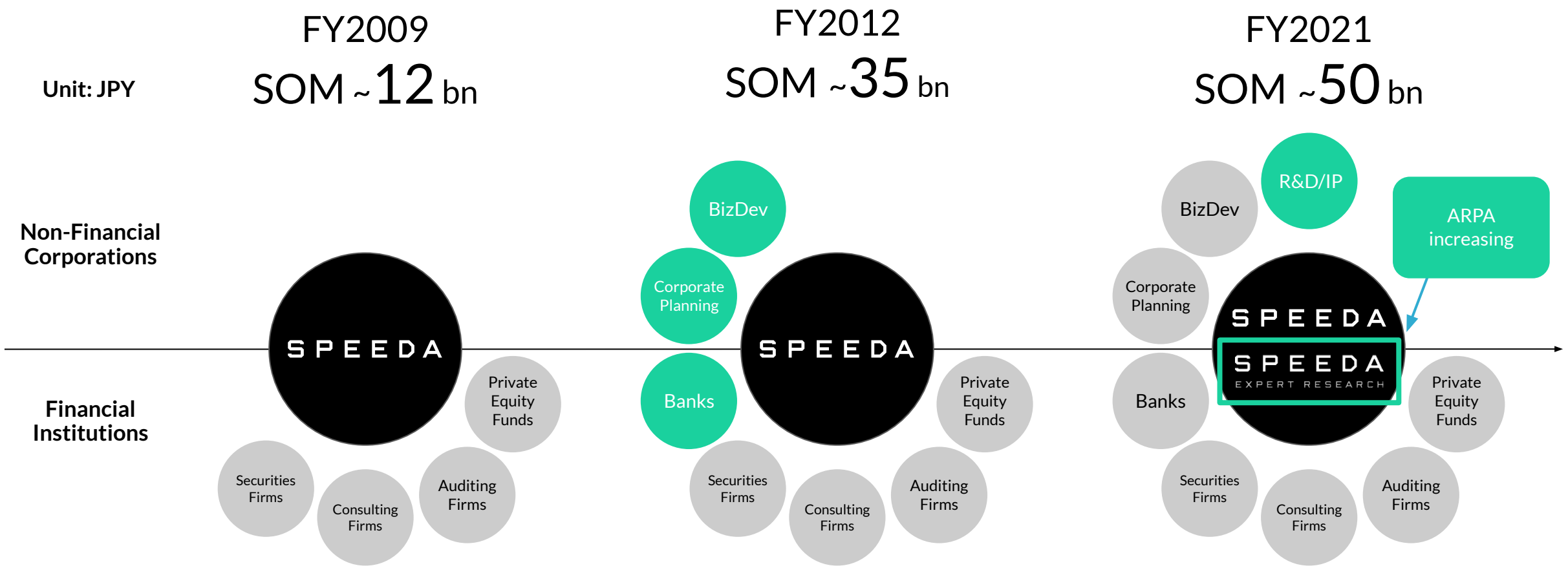
1. SPEEDA
2. **INITIAL**
3. **FORCAS**

1. SPEEDA
2. INITIAL
3. FORCAS
4. **AD/NP**
5. **SPEEDA Expert Research**
6. **FORCAS Sales**
7. **SPEEDA R&D**

1. For details on each product's SOM, refer to pages 49-50 of the Appendix.

Expansion of SOM for SPEEDA

Starting off with purely financial institutions, SPEEDA has since expanded its SOM to include non-financial corporations.



1. SOM (Serviceable Obtainable Market) refers to the obtainable revenue at the value proposition of SPEEDA offered in the fiscal year shown, calculated as the number of potential target companies multiplied by the expected average revenue per customer in each given year.

Expansion of SOM for Other SaaS Products

UZABASE

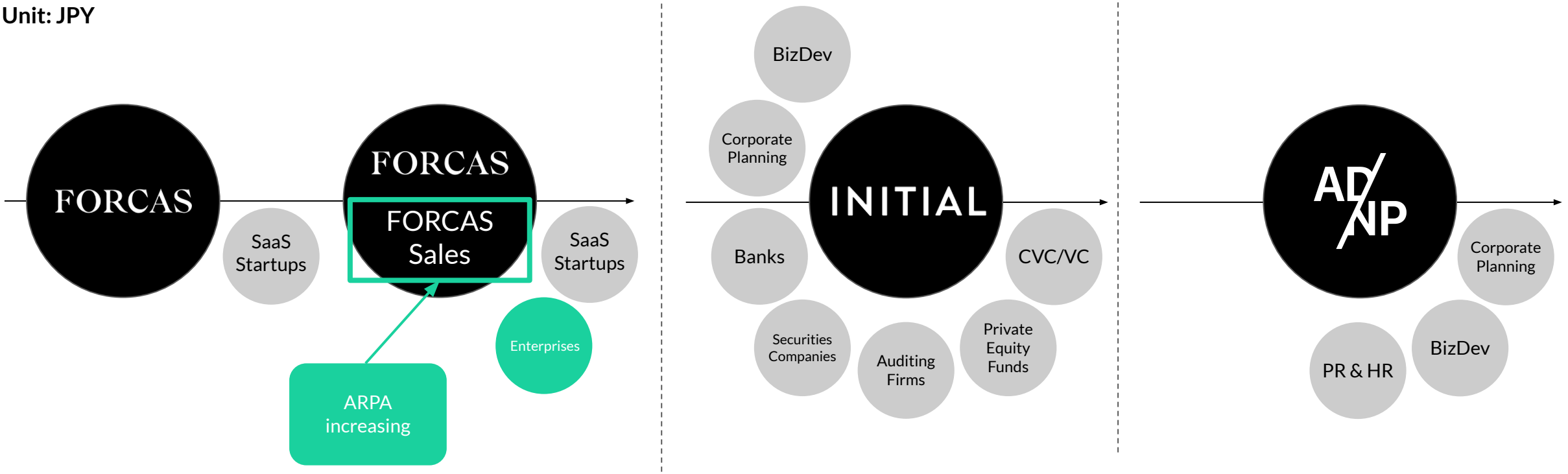
FY2017
SOM ~1.5 bn

FY2021
SOM ~42 bn

FY2021
SOM ~5 bn

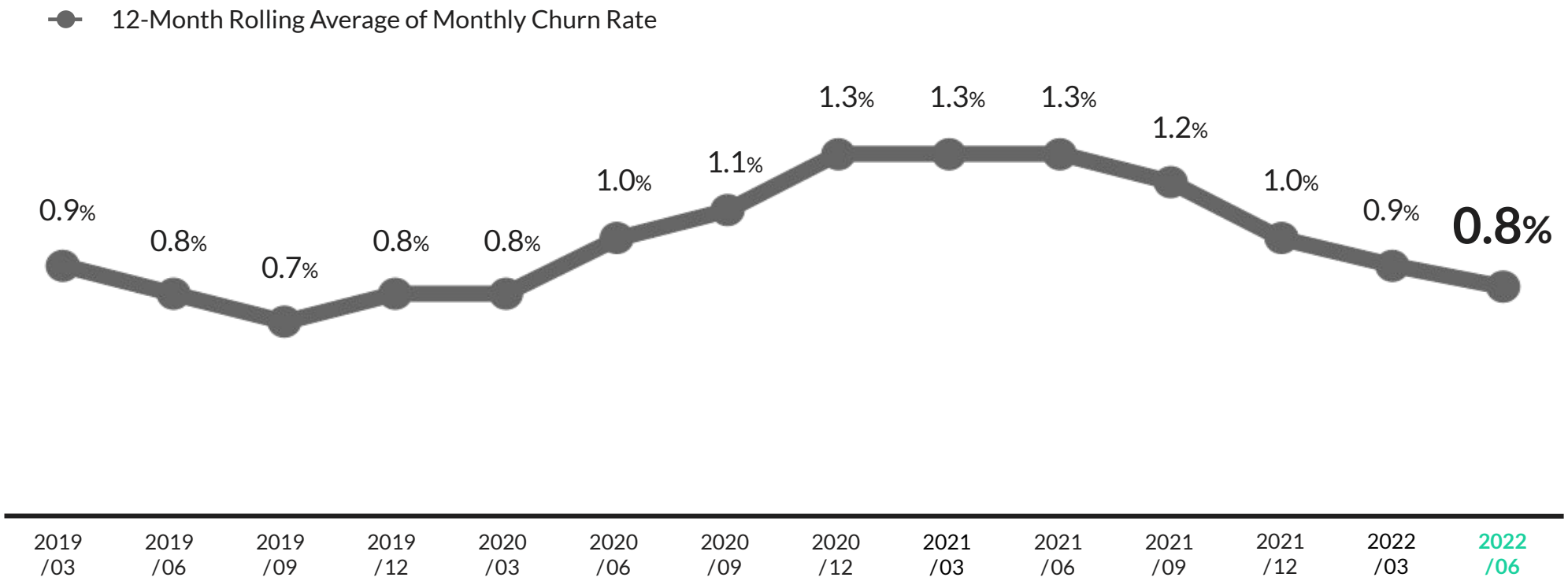
FY2021
SOM ~15.5 bn

Unit: JPY



1. SOM (Serviceable Obtainable Market) refers to the obtainable revenue at the value proposition of each product offered in the fiscal year shown, calculated as the number of potential target companies multiplied by the expected average revenue per customer in each given year, for each given product.

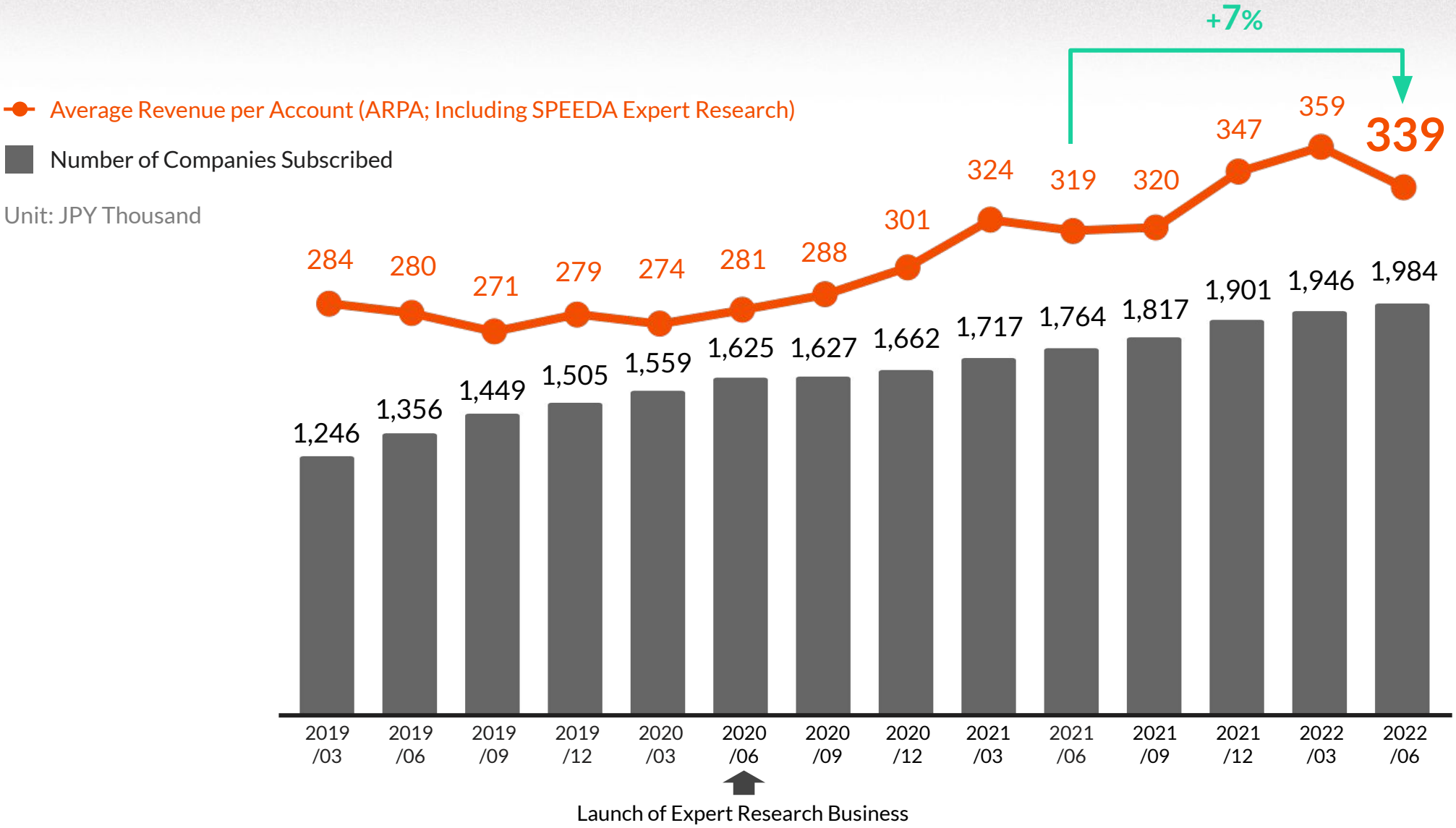
SPEEDA Churn Rate



1. The Churn Rate shown refers to Gross Revenue Churn Rate.

SPEEDA: Number of Companies Subscribed and ARPA

UZABASE



1. Number of Companies Subscribed and Net Sales also include those of MIMIR starting from June 2020.
2. Number of Companies Subscribed for MIMIR includes all companies that had a confirmed transaction with MIMIR within the past one year (starting from the month when the data was aggregated) and excludes any companies that are also SPEEDA customers.
3. SPEEDA's Number of Companies Subscribed includes customers both in Japan and overseas. A corporate entity that has a subscription both in Japan and abroad is counted only once.
4. ARPA is calculated by dividing monthly net sales by the number of companies subscribed as of the end of each month.
5. The newly changed accounting method for revenue recognition are applied retroactively to monthly net sales, resulting in partial discrepancies with previously disclosed ARPA figures.

Consolidated Profit and Loss Statement (Quarterly Figures)

UZABASE

(Unit: JPY MM)	FY2020				FY2021				FY2022	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Net Sales	3,147	3,118	3,560	3,825	3,877	3,771	3,781	4,295	4,305	4,345
Net Sales Growth Rate	+11%	+11%	+27%	-5%	+23%	+21%	+6%	+12%	+11%	+15%
Cost of Sales	1,541	1,528	1,471	1,541	1,398	1,388	1,501	1,688	1,400	1,593
Gross Profit	1,606	1,590	2,088	2,283	2,479	2,382	2,279	2,607	2,904	2,751
Gross Profit Margin	51.0%	51.0%	58.7%	59.7%	63.9%	63.2%	60.3%	60.7%	67.5%	63.3%
Selling, General, and Administrative Expenses	1,885	1,893	1,839	1,870	1,752	1,915	2,059	2,592	2,386	2,927
Operating Profit	-278	-302	248	413	726	467	220	15	517	-175
Operating Profit Margin	-8.9%	-9.7%	7.0%	10.8%	18.7%	12.4%	5.8%	0.4%	12.0%	-4.0%
EBITDA	-56	-75	506	520	825	571	336	138	658	-3
EBITDA Margin	-1.8%	-2.4%	14.2%	13.6%	21.3%	15.2%	8.9%	3.2%	15.3%	-0.1%
Ordinary Profit	-332	-362	183	207	665	439	183	256	700	-181
Ordinary Profit Margin	-10.6%	-11.6%	5.2%	5.4%	17.2%	11.6%	4.9%	6.0%	16.3%	-4.2%
Net Profit Attributable to Parent Company Shareholders	-484	-647	-4,949	-411	472	248	-245	95	418	-268

1. Figures for FY2019 and FY2020 include figures for the Quartz business.
2. The newly changed accounting method for revenue recognition applied retroactively to FY2020 and FY2021 figures.

Consolidated Expenses (Quarterly Figures)

UZABASE

(Unit: JPY MM)	FY2020				FY2021				FY2022	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Purchases	168	165	185	190	196	190	179	222	224	240
Labor and Outsourcing Expenses	1,367	1,366	1,300	1,314	1,115	1,145	1,301	1,380	1,250	1,362
Advertising Expenses	184	220	131	323	280	260	281	495	362	711
Personnel Expenses	845	797	771	740	743	799	880	992	1,044	1,113
Commissions	0	0	0	-1	0	-1	0	0	0	51
Depreciation and Amortization, and Amortization of Goodwill	228	230	237	250	230	248	187	264	279	290
Other Expenses	221	226	256	108	98	105	116	123	140	120
Purchases	409	413	427	484	485	555	614	800	485	631

1. Figures for FY2020 include figures for the Quartz business.
2. The newly changed accounting method for revenue recognition applied retroactively to FY2020 and FY2021 figures.
3. "Labor and Outsourcing Expenses" include engineering team costs, as well as content production costs, including reporter labor costs and advertising/video program production costs (COGS).
4. “Commissions” include various commission fees such as those paid to Apple, as well as system usage fees.
5. “Depreciation and Amortization, and Amortization of Goodwill” includes software amortization.
6. “Other Expenses” include service commission expenses, recruiting and training expenses, communications expenses, compensations, and rent.

Consolidated Balance Sheet

UZABASE

(Unit: JPY MM)	FY2021	End-Q2 FY2022	Change
Current Assets	12,337	10,313	-2,023
(Cash and Deposits)	10,613	8,677	-1,936
Non-Current assets	7,921	9,558	1,636
Deferred Assets	52	35	-17
Total Assets	20,312	19,907	-404
Current Liabilities	7,548	7,814	266
Non-Current Liabilities	2,852	2,184	-667
Total Liabilities	10,400	9,999	-400
(Interest-Bearing Liabilities)	4,015	3,316	-699
Total Net Assets	9,911	9,907	-3

1. The newly changed accounting method for revenue recognition applied retroactively to FY2021 figures.

Consolidated Cash Flow Statement

UZABASE

(Unit: JPY MM)	FY2021	End-Q2 FY2022
Cash Flow from Operating Activities	2,696	924
Cash Flow from Investing Activities	-1,066	-1,804
Free Cash Flow	1,630	-880
Cash Flow from Financing Activities	1,404	-1,160
Change in Cash and Cash Equivalents	3,100	-1,936
Cash and Cash Equivalents at the Beginning of Period	7,513	10,613
Cash and Cash Equivalents at the End of Period	10,613	8,677

Profit and Loss Statement by Segment (Quarterly Figures)

UZABASE

(Unit: JPY MM)		FY2020				FY2021				FY2022	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
SaaS	Net Sales	1,768	1,746	1,929	2,117	2,296	2,360	2,513	2,813	2,905	2,988
	Net Sales Growth Rate	+46%	+32%	+36%	+27%	+30%	+35%	+30%	+33%	+26%	+27%
	EBITDA	525	447	509	357	509	443	354	228	499	311
	EBITDA Margin	29.7%	25.6%	26.4%	16.9%	22.2%	18.8%	14.1%	8.1%	17.2%	10.4%
	ARR	6,480	6,724	7,119	7,591	8,063	8,647	9,133	9,828	10,324	11,037
	ARR Growth Rate	+34%	+27%	+26%	+22%	+24%	+29%	+28%	+29%	+28%	+28%
NewsPicks	Net Sales	1,090	1,123	1,346	1,594	1,589	1,422	1,273	1,512	1,409	1,363
	Net Sales Growth Rate	8%	31%	58%	24%	46%	27%	-5%	-5%	-11%	-4%
	EBITDA	90	22	292	176	323	140	46	-10	178	-296
	EBITDA Margin	8.3%	2.0%	21.8%	11.1%	20.4%	9.9%	3.6%	-0.7%	12.7%	-21.7%
	ARR	2,079	2,609	2,534	2,518	2,564	2,483	2,568	2,583	2,668	2,581
	ARR Growth Rate	+16%	+45%	+32%	+26%	+23%	-5%	+1%	+3%	+4%	+4%

1. Internal transactions between segments are included.
2. The newly changed accounting method for revenue recognition applied retroactively to FY2020 and FY2021 figures.
3. Net Sales Growth Rates are year-over-year figures (compared to the same period of the previous year).

Difference Between EBITDA and Operating Profit

UZABASE

(Unit: JPY MM)	FY2020				FY2021				FY2022	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
EBITDA	609	444	779	528	825	571	336	138	658	-3
Goodwill Amortization	13	20	23	23	23	23	23	23	23	23
Depreciation and Amortization Costs	40	41	70	86	74	81	93	100	116	96
Stock-Based Compensation	0	0	0	-1	0	-1	0	0	0	51
Operating Profit	554	382	684	420	726	467	220	15	517	-175

1. Figures for FY2019 and FY2020 include figures for the Quartz business.
2. The newly changed accounting method for revenue recognition applied retroactively to FY2020 and FY2021 figures.
3. Depreciation and Amortization Costs also include software amortization.

Existing Stock Incentives

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Category	Tied to Performance or Stock Price Conditions?	Status	End-Dec 2021 Number	End-June 2022 Number
Stock Options	**No**	**Opening Balance**	**891,552**	**761,928**
		Granted	0	566,290
		Exercised	-129,624	-18,480
		Cancelled	0	-12,244
		Closing Balance	**761,928**	**1,297,494**
		(Incl. Vesting Portion)	761,928	881,970
	Yes	**Opening Balance**	**3,333,700**	**2,957,800**
		Granted	0	0
		Exercised	-5,400	-21,000
		Cancelled	-370,500	0
		Closing Balance	**2,957,800**	**2,936,800**
		(Incl. Vesting Portion)	173,400	1,098,000
Restricted Stock Units	**No**	**Opening Balance**	**0**	**0**
		Granted	0	84,342
		Exercised	0	0
		Cancelled	0	0
		Closing Balance	0	84,342
		(Incl. Vesting Portion)	0	21,103
Total Potentially Dilutive Shares			**3,719,728**	**4,318,636**
Shares Outstanding			**36,750,126**	**36,903,806**
Percentage of Stock Incentives			**10.12%**	**11.70%**
(Incl. Vesting Portion)			2.55%	5.42%

Disclaimer

The purpose of this document is to provide information to investors, and not to solicit investment in any particular service.

The information disclosed in this document and projections for future performance are based on the data and information available at the time when this document was composed, and may contain uncertainties.

Please be aware that actual future performance and results may differ significantly from projections due to various factors.

UZABASE

August 4, 2022

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For any questions that were not answered today, or any other inquiries, please contact Uzabase's IR Team:

E-mail: ir@uzabase.com

Phone: +81-3-4533-1999

The announcement of the financial results for Q3 FY2022 and the briefing session are scheduled for the following dates:

Announcement of financial results: November 4 (Friday), 3:00 PM JST onwards
Financial results briefing session: November 4 (Friday), Time TBD

UZABASE

Thank you very much for your time.